

ASSEMBLY BILL

No. 611

Introduced by Assembly Member Bonta

February 20, 2013

An act to amend Section 22950 of the Education Code, relating to state teachers' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 611, as introduced, Bonta. State teachers' retirement.

The State Teachers' Retirement System provides pension benefits based in part upon credited service. Existing law states that by accepting employment to perform creditable service, a member consents to make contributions for service and compensation. The Teachers' Retirement Law requires the employer to contribute monthly to the system 8% of the creditable compensation upon which members' contributions are based. The Teachers' Retirement Law requires portions of the employer contributions to be deposited in the Teachers' Retirement Fund and the Teachers' Health Benefits Fund. Existing law authorizes a limited amount from the employer contributions to also be deposited into the Teachers' Retirement Program Development Fund.

This bill would make that deposit into the Teachers' Retirement Program Development Fund a required deposit.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22950 of the Education Code is amended
2 to read:

1 22950. (a) Employers shall contribute monthly to the system
2 8 percent of the creditable compensation upon which members'
3 contributions under this part are based.

4 (b) From the contributions required under subdivision (a), there
5 shall be deposited in the Teachers' Retirement Fund an amount,
6 determined by the board, that is not less than the amount,
7 determined in an actuarial valuation of the Defined Benefit
8 Program pursuant to Section 22311.5, necessary to finance the
9 liabilities associated with the benefits of the Defined Benefit
10 Program over the funding period adopted by the board, after taking
11 into account the contributions made pursuant to Sections 22901,
12 22951, and 22955.

13 (c) The amount of contributions required under subdivision (a)
14 that is not deposited in the Teachers' Retirement Fund pursuant
15 to subdivision (b) shall be deposited directly into the Teachers'
16 Health Benefits Fund, as established in Section 25930, and shall
17 not be deposited into or transferred from the Teachers' Retirement
18 Fund.

19 (d) (1) Notwithstanding subdivisions (b) and (c), there~~may~~
20 *shall* be deposited into the Teachers' Retirement Program
21 Development Fund, as established in Section 22307.5, from the
22 contributions required under subdivision (a), an amount determined
23 by the board, not to exceed the limit specified in paragraph (2).

24 (2) The balance of deposits into the Teachers' Retirement
25 Program Development Fund, minus the subsequent transfer of
26 funds, with interest, into the Teachers' Retirement Fund pursuant
27 to subdivision (e) of Section 22307.5, shall not exceed 0.01 percent
28 of the total of the creditable compensation of the fiscal year ending
29 in the immediately preceding calendar year upon which member's
30 contributions to the Defined Benefit Program are based.

31 (3) The deposits described in this subdivision shall not be
32 deposited into, or transferred from, the Teachers' Retirement Fund.